

Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation and equity method

(1) Scope of consolidation

	Companies	
Consolidated subsidiaries	159	Tokyu Co., Ltd., Tokaiseiki Co., Ltd., Izumi Machine Mfg. Co., Ltd., TIBC Corporation, TOYOTA L&F Tokyo Co., Ltd., Taikoh transportation Co., Ltd., Aichi Corporation, Asahi Security Co., Ltd., Toyota Industrial Equipment Mfg., Inc., Toyota Industrial Equipment, S.A., Michigan Automotive Compressor, Inc., Toyota Industries Sweden AB, BT Industries AB, Toyota Industries North America, Inc., Toyota Material Handling USA, Inc., TD Deutsche Klimakompressor GmbH, Toyota Industrial Equipment Europe, S.A.R.L., Others

(2) Scope of equity method

	Companies	
Affiliates	21	ST Liquid Crystal Display Corp., Fuji Logistics Co., Ltd., Wanbishi Archives Co., Ltd., ST Mobile Display Corp., BT Industries Group (16 companies), Toyota Motor Industries Poland Sp.zo.o.

2. Changes in scope of consolidation and equity method

Consolidated subsidiaries

	Companies	
(Increase)	7	Aichi Corporation Group (2 companies), Mail & e Business Logistics Service Co., Ltd., BT Industries Group (2 companies), Toyota Industries Corporation Australia Group (1 company), Toyota Gabelstapler Deutschland Group(1 company)
(Decrease)	1	BT Industries Group (1 company)

Affiliates accounted for under the equity method

	Companies	
(Increase)	1	ST Mobile Display Corp.
(Decrease)	2	Aichi Corporation Group (2 companies)

3. Fiscal years of consolidated subsidiaries

(1) Some consolidated subsidiaries have a closing date other than September 30. The details are given below.

June 30	Aichi Corporation Group (1 company), Toyota Industry (Kunshan) Co., Ltd., Toyota Material Handling (Shanghai) Co., Ltd., Toyota Industry Automotive Parts (Kunshan) Co., Ltd., TD Automotive Compressor Kunshan, Co., Ltd., Toyota Industries Trading & Logistics (China) Co., Ltd.
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(2) This financial summary was prepared using the interim results of Toyota Industries' consolidated subsidiaries. Starting from the fiscal year ending March 31, 2007, however, some of the consolidated subsidiaries have changed their interim closing date from June 30 to September 30. The details are given below.

Toyota Industries Sweden AB, BT Industries Group (66 companies),
Toyota Industries Finance International AB

4. Significant accounting policies

(1) Valuation of significant assets

a. Marketable securities

Other securities with market value Fair value method using market price at the end of period (Unrealized gains and losses are recorded as a portion of shareholders' equity. Sales cost of marketable securities is determined by the moving average method.)

Other securities without market value At cost determined by the moving average method

b. Inventories

.... Mainly at cost determined by the moving average method

(2) Depreciation and amortization

Depreciation expenses of property, plant and equipment are computed mainly by the declining-balance method.

Amortization of intangible assets is computed by the straight-line method.

(3) Significant allowances

a. Allowance for doubtful accounts is estimated by such means as using the percentage of historical experiences in credit losses for ordinary receivables and by examining the feasibility of collection individually for receivables that seem to be uncollectible.

b. For the purpose of preparation for future payments of employees' retirement benefits, allowance for retirement benefits is recorded at the amount incurred based on projected benefit obligations and pension assets at the end of period. Provision for retirement and severance benefits for directors and corporate auditors are recorded at the amounts required at the end of period by a internal rule describing the retirement benefits for directors and corporate auditors.

(4) Accounting for significant lease transactions

Financing leases other than those that are deemed to transfer the ownership of the leased properties to lessees are mainly accounted for by the method similar to that applicable to ordinary operating leases.

(5) Hedge accounting method

Mainly the deferral method of hedge accounting is applied. In case of foreign currency forward contracts, the hedged items are translated at contracted forward rate if certain conditions are met. In this period, interest rate swap contracts are used for hedging risk of change in interest rate relating loans. Foreign exchange forward contracts and foreign currency option contracts are also used for hedging risk of change in foreign exchange rate relating to foreign currency transactions.

(6) Other significant accounting policies for preparing consolidated financial statements

The consumption tax : computed based on the net-of-tax method

5. Scope of cash and cash equivalents on the consolidated statements of cash flows

Cash and cash equivalents on the consolidated statements of cash flows include cash on hand, bank deposits to be withdrawn at any time and short-term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in fair value.

6. Changes in Accounting Policies

(1) Accounting Standard for Directors' Bonuses

Effective April 1, 2006, Toyota Industries has applied the Accounting Standard for Directors' Bonuses (Corporate Accounting Standard No. 4 issued on November 29, 2005) to the consolidated financial statements.

(2) Accounting Standard for Presentation of Net Assets in the Balance Sheet

Effective April 1, 2006, Toyota Industries has applied the Accounting Standard for Presentation of Net Assets in the Balance Sheet (Corporate Accounting Standard No. 5 issued on December 9, 2005) and the Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (Guidelines for the Application of Corporate Accounting Standards No. 8 issued on December 9, 2005) to the consolidated financial statements. In accordance with the changes, the previous components under Shareholders' Equity and Minority Interests in Consolidated Subsidiaries have been combined into Net Assets, which have been further broken down into Shareholders' Equity, Valuation and Translation Adjustments, Subscription Rights to Shares and Minority Interests.

(3) Accounting Standard for Presentation of Share-based Payment

Effective April 1, 2006, Toyota Industries has applied the Accounting Standard for Share-based Payment (Corporate Accounting Standard No. 8 issued on December 27, 2005) and the Guidance on Accounting Standard for Share-based Payment (Guidelines for the Application of Corporate Accounting Standard No. 11 issued on May 31, 2006) to the consolidated financial statements.